# Veterans Affairs

## 2009-2010 Departmental Performance Report

The Honourable Jean-Pierre Blackburn, P.C., M.P.
Minister of Veterans Affairs and Minister of State (Agriculture)

Veterans Affairs Canada | Anciens Combattants Canada

Canada

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# SECTION I - OVERVIEW

## Minister's Message

Veterans Affairs makes a difference in the lives of Canadians every day as we provide our Veterans with access to the benefits and services they so rightly deserve.

We are grateful for the commitment and courage of the men and women who have defended democracy and the ideals of Canada in the conflicts of the 20th century and those of today. Our Canadian military personnel are being deployed around the world in operations such as humanitarian aid in Haiti and the Canadian mission in Afghanistan. Given this increase in international deployments, we are experiencing an increase in the number of modern-day Veterans, while the number of our traditional Veterans is dwindling. However, the latter are dealing with increasingly serious health issues that require progressively more care.

While we have a proud history of service excellence to our Veterans, we are in a period of transformation and renewal and our challenge is to make sure that our programs and services fully meet the varied and changing needs of our Veterans and other clients at all times. Work is well underway in virtually all areas of the organization to ensure we continue to provide and improve the support our Veterans and other clients need and deserve. We are modernizing our service delivery to ensure that we are able to meet their needs now and in the future, all the while continuing to provide access to quality services where and when they need them.

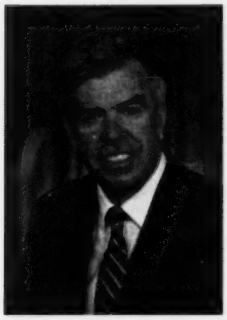
This past year, we commemorated the 60th anniversary of the start of the Korean War and the 65th anniversaries of D-Day and the Battle of Normandy, the Italian Campaign and the Liberation of Belgium. Sadly, Canada's last known Veteran of the First World War, Mr. John Babcock, passed away on February 18, 2010 at the age of 109. While ensuring that the end of an era and the legacy of our war service Veterans were not forgotten, we focused on increasing recognition of our Canadian Forces Veterans and in-Canada remembrance activities. In a Government of Canada "first," Veterans Affairs used new social media tools such as YouTube and Facebook to share our remembrance messages.

I am proud of Veterans Affairs Canada's staff and their outstanding commitment to our war-service Veterans, Canadian Forces members and Veterans, Royal Canadian Mounted Police, and their families. All Canadians owe our Veterans, both past and present, a great debt and we are proud to serve them on your behalf, ensuring that their sacrifices and achievements are recognized and honoured.

It is my privilege to present the 2009-2010 Departmental Performance Report for Veterans Affairs.

The Honourable Jean-Pierre Blackburn, P.C., M.P.
Minister of Veterans Affairs and Minister of State (Agriculture)

## Chair's Message



I am very pleased to report on the progress of the Veterans Review and Appeal Board in achieving our priorities for 2009-2010.

The Board's objective is to ensure that traditional Veterans, Canadian Forces members and Veterans, Royal Canadian Mounted Police applicants and their families receive the disability benefits they are entitled to under the law.

To achieve this, we provide applicants with an independent appeal program for disability decisions made by Veterans Affairs Canada. The Board's specialized program includes two levels of redress (review and appeal) for disability pension and disability award applications as well as the final level of appeal for War Veterans Allowance cases.

In 2009-10, members of the Board travelled to 31 cities across Canada to conduct in-person review hearings. These hearings provided applicants with their only opportunity to give oral testimony before the decision makers in support of their disability claims. Overall, the Board issued approximately 5,600 review and appeal decisions and focussed on delivering a fair and effective program for applicants.

The Board continued to work with representative organizations to bring cases forward to a hearing in a timely fashion. We introduced an annual calendar to identify our capacity for review hearings far enough in advance for representatives to fill the schedule. The Board also offered hearings by video conference as a convenient alternative and implemented the digital recording of review hearings. We will continue to embrace technology to support decision-making and to manage our workload for the benefit of applicants.

More often than not, the claims heard by the Board involve complex medical conditions and legal arguments. To support our staff and members, we provided regular training, targeted study tools and professional development sessions designed to address emerging issues related to the adjudication of claims.

On the communications front, the Board issued an annual update about our activities and took steps to update and reprint our foundation brochure for applicants. We also developed a plan to expand and enhance the content and organization of our Web site.

The Board also developed a Strategic Plan for 2010–2015. During the next five years, we will continue to deliver our program and look for improvements. We will strengthen our management practices and fulfill requirements for reporting and accountability as a separate legal entity under the *Financial Administration Act*. We will communicate regularly about our program, our activities and our performance. Together, these priorities will guide our efforts to improve our independent appeal program for applicants.

John D. Larlee
Chair, Veterans Review and Appeal Board

**Raison d'être**

Veterans Affairs exists to repay the nation's debt of gratitude toward those whose legacy is the peace and security we enjoy as Canadians. Canada's contribution to global peace and security has come at a heavy price to our Veterans and other clients. Our clientele includes traditional war Veterans from the Second World War and the Korean War, former and serving members of the Canadian Forces (CF), the Royal Canadian Mounted Police (RCMP) and certain civilians as well as eligible family members (survivors and dependants).

**Responsibilities**

Veterans Affairs is a Portfolio consisting of: Veterans Affairs Canada (VAC, the Department); the Veterans Review and Appeal Board (VRAB, the Board); and the Office of the Veterans Ombudsman (OVO).

*Veterans Affairs Canada*

VAC's twofold focus is to provide access to client-centred services and benefits that respond to the needs of our Veterans and other clients, and to recognize and honour the contributions and sacrifices of Canadian Veterans.

VAC provides disability benefits and special awards to Veterans of the Second World War; the Korean War; Veterans with service prior to April 1, 1947; Canadian Forces Veterans and members; and former and serving members of the RCMP (under a Memorandum of Understanding). The New Veterans Charter (NVC) supports modern-day Veterans and their families to ease their transition to civilian life through access to a suite of programs which includes rehabilitation and vocational assistance services, career transition services, financial benefits, health benefits, and disability awards including death benefits. The Bureau of Pensions Advocates provides free legal advice and representation for individuals dissatisfied with decisions rendered by VAC regarding their disability benefits. VAC's health care programs are designed to enhance the quality of life of Veterans and other clients, promote independence, and assist in keeping Veterans and other clients at home and in their own communities by ensuring a continuum of care. VAC provides Veterans and other eligible clients with access to treatment benefits, health care services such as advice and information, needs assessment, advocacy and referrals. The Veterans Independence Program (VIP) is a national home care program that helps Veterans and other clients remain in their own homes or communities for as long as possible. VAC supports Veterans in long-term care beds, either in community facilities, in Ste. Anne's Hospital (the last remaining federal hospital administered by the Department), or in larger contract facilities where Veterans have priority access to beds.

The Department keeps alive the achievements and sacrifices made by those who served Canada in times of war, military conflict and peace and promotes an understanding of how they helped shape our country. VAC fosters remembrance of the contributions of Canada's war dead and Veterans through its Canada Remembers Program which includes the maintenance and preservation of 14 memorial sites in Europe.

*Veterans Review and Appeal Board*

The Veterans Review and Appeal Board provides two levels of redress for disability pension and disability award applications and the final level of appeal for War Veterans Allowance decisions. The Board's objective is to ensure that Canada's war Veterans, Canadian Forces Veterans and members, Royal Canadian Mounted Police, qualified civilians and their families receive the disability pensions, disability awards and war veterans allowance to which they are entitled. The Board reports to Parliament through the Minister of Veterans Affairs and is completely independent of VAC.

*Veterans Ombudsman*

The Office of the Veterans Ombudsman helps Veterans and their families to address their concerns related to Veterans Affairs and the Veterans Bill of Rights. The Veterans Ombudsman is an independent officer who reports directly to the Minister of Veterans Affairs.

**Program Activity Architecture**

The diagram below illustrates the Portfolio's Program Activity Architecture. Program activities and program sub-activities are aligned to the strategic outcomes. It reflects the results of policy research and analysis, periodic review of program effectiveness, ongoing dialogue with stakeholders, and the priorities and directions of the Government of Canada.

Strategic Outcome
Program Activity
Sub Activity
Eligible Veterans and other clients achieve their optimum level of well-being through programs and services that support their care, treatment, independence and re-establishment
Veterans Compensation and Financial Support
Disability and Death Compensation
Financial Support
Bureau of Pensions Advocates
Veterans Health Care and Re-establishment
Long-Term and Nursing Home Care
Treatment Benefits and Other Health and Re-establishment Services
Home Care and Other Veterans Independence Program Services
Canadians remember and demonstrate their recognition of all those who served in Canada's efforts during war, military conflict and peace
Canada Remembers
Remembrance Outreach
National and International Memorials
Fair and effective resolution of disability pension, disability award, and War Veterans Allowance appeals from Canada's war Veterans, eligible Canadian Forces Veterans and still-serving members, RCMP clients, qualified civilians and their families
Veterans Review and Appeal Board redress process for disability pensions and awards
Ombudsman recommendations advance Veterans Affairs' fair and equitable treatment of eligible clients
Office of the Veterans Ombudsman independent review and recommendations on individual complaints and systemic issues
Internal Services
Governance & Management Support
Resource Management Services
Asset Management Services

## Performance Summary

The following section contains a summary of the organization's total financial resources, total human resources and a performance summary table which reports on the indicators and targets from the 2009–10 Report on Plans and Priorities to provide information on the progress achieved for each strategic outcome.

| 2009-2010 Financial Resources ($ millions) | | |
|---|---|---|
| **Planned Spending** | **Total Authorities** | **Actual Spending** |
| 3,364.1 | 3,531.0 | 3,412.2 |

| 2009-2010 Human Resources (Full-Time Equivalents) | | |
|---|---|---|
| **Planned** | **Actual** | **Difference** |
| 3,849 | 3,947 | 98 |

| **Strategic Outcome #1: Eligible Veterans and other clients achieve their optimum level of well-being through programs and services that support their care, treatment, independence, and re-establishment** | | |
|---|---|---|
| **Performance Indicators** | **Targets** | **2009-10 Performance** |
| Percentage of Veterans and other clients who report satisfaction with the programs and services offered by Veterans Affairs Canada | 85% | **80%**<br><br>VAC conducted a National Client Survey of its Veterans and other clients including war service Veterans, Canadian Forces Veterans and members, retired and still-serving RCMP members and their survivors.<br><br>Overall, 80% of Veterans and other clients who had contact with Veterans Affairs Canada during the 2009-2010 fiscal year were satisfied with the programs and services offered by Veterans Affairs Canada.<br><br>Source: 2010 National Client Survey<br>Client groups: War service Veterans, Canadian Forces Veterans and members, Royal Canadian Mounted Police and survivors |
| Percentage of war service Veteran clients who were assessed in the last year and who have either maintained or improved their overall health status | 75% | **52% – maintained or improved general health**<br>**87% – maintained or improved mental health**<br><br>As of March 31, 2010, VAC provides programs and services to 68,769 war service Veteran clients with an average age of 87.<br><br>According to Statistics Canada, self perceived health declines as people age. VAC measured the self-reported general health status and the self-reported mental health status of its Veterans and other clients and the extent to which their health status changed over the past year. 87% of war service Veterans indicated that their mental health was "about the same" or had improved when compared to one year ago and 52% indicated that their general health was "about the same" or had improved compared to one year ago.<br><br>Source: 2010 National Client Survey<br>Client group: war service Veterans |

| | | |
|---|---|---|
| Percentage of Canadian Forces Veterans and other clients participating in New Veterans Charter programs who report improved overall health status | 15% | **15% - improved general health**<br>**21% - improved mental health**<br><br>VAC's New Veterans Charter (NVC) programs include disability awards, rehabilitation and vocational assistance services, career transition services, financial benefits and health benefits. One of the outcomes for the suite of New Veterans Charter Programs is that "CF Veterans will experience improved health status and functional capacity as a result of access to health care benefits and rehabilitation services. As of March 31, 2010, VAC had 21,419 Veterans and other clients participating in the NVC programs and of these 16% were participating in the Rehabilitation Program. The focus of the Rehabilitation Program is the reasonable restoration of client functioning, including mental and physical functioning.<br><br>In the 2010 National Client Survey, 21%+ of the NVC Veterans and other clients surveyed indicated that their mental health was improved compared to one year ago; a further 65% indicated that their mental health was about the same. In terms of overall general health, 15% of the NVC Veterans and other clients indicated that their general health had improved over the past year while a further 52% indicated that their general health was about the same.<br><br>Source: 2010 National Client Survey<br>Client group: Canadian Forces Veterans participating in New Veterans Charter programs |

| Program Activity | 2008-09 Actual Spending ($ millions) | 2009-2010 ($ millions)[1] | | | | Alignment to Government of Canada Outcomes |
|---|---|---|---|---|---|---|
| | | Main Estimates | Planned Spending | Total Authorities | Actual Spending | |
| Veterans Compensation and Financial Support | 2,165.4 | 2,057.1 | 2,057.1 | 2,188.9 | 2,169.1 | *Income Security and Employment for Canadians*<br><br>Veterans Affairs improves the quality of life for Canadians through the provision of appropriate compensation for its Veterans and other clients. |
| Health Care and Re-establishment | 1,121.1 | 1,162.7 | 1,162.7 | 1,185.8 | 1,104.3 | *Healthy Canadians*<br><br>Veterans Affairs improves the quality of life of Canadians through providing its Veterans and other clients with health benefits and rehabilitation services. |

[1] *Commencing in the 2009–10 Estimates cycle, the resources for the Internal Services program activity are displayed separately from other program activities; they are no longer distributed among the remaining program activities, as was the case in previous Main Estimates. This has affected the comparability of spending and FTE information by program activity between fiscal years.*

| **Strategic Outcome #2: Canadians remember and demonstrate their recognition of all those who served in Canada's efforts during war, military conflict and peace** | | | | | | |
|---|---|---|---|---|---|---|
| **Performance Indicators** | | **Targets** | **2009-10 Performance** | | | |
| Percentage of Canadians engaged in remembrance | | 15% | **46%**<br>46% of Canadians were engaged in remembrance in the past year of which 36% of Canadians said they attended remembrance ceremonies.<br><br>Source: 2010 "Canadians' Awareness, Engagement & Satisfaction with Remembrance Programming Survey"<br>Client group: Canadian Public | | | |
| **Program Activity** | **2008-09 Actual Spending ($ millions)** | **2009-2010 ($ millions)[1]** | | | | **Alignment to Government of Canada Outcomes** |
| | | **Main Estimates** | **Planned Spending** | **Total Authorities** | **Actual Spending** | |
| Canada Remembers | 45.6 | 44.8 | 44.8 | 49.7 | 38.9 | *A Vibrant Canadian Culture and Heritage*<br><br>Informing Canadians of our military history allows them to celebrate and commemorate the contributions of those who served Canada in times of war, military conflict and peace, and to understand how these men and women have helped and continue to help shape our society. |

| **Strategic Outcome #3: Fair and effective resolution of disability pension, disability award, and War Veterans Allowance appeals from Canada's war Veterans, eligible Canadian Forces Veterans and still-serving members, RCMP clients, qualified civilians and their families** | | | | | | |
|---|---|---|---|---|---|---|
| **Performance Indicators** | | **Targets** | **2009-10 Performance** | | | |
| Percentage of Veterans and other clients concerns that are effectively responded to | | 80% of complaints are responded to within 60 days | **100% of complaints were actioned and completed within 60 days.** Through the Board's formal complaint process, individuals have an avenue to express concerns other than those related to the outcome of their decisions. Four complaints were received in 2009-10 (down from nine in 2008-09 and 14 in 2007-08). Information on the Complaint Process and the Code of Professional Conduct for VRAB Members is available from the Board's inquiries staff or on the Web Site www.vrab-tacra.gc.ca . | | | |
| **Program Activity** | **2008-09 Actual Spending ($ millions)** | **2009-2010 ($ millions)[1]** | | | | **Alignment to Government of Canada Outcomes** |
| | | **Main Estimates** | **Planned Spending** | **Total Authorities** | **Actual Spending** | |
| Veterans Review and Appeal Board redress process for disability pensions and awards | 16.6 | 11.2 | 11.2 | 12.3 | 12.1 | *Income Security and Employment for Canadians*<br><br>An independent program for resolving disability compensation and War Veterans Allowance decisions supports Canadians through ensuring fairness for applicants. |

[1] *Commencing in the 2009–10 Estimates cycle, the resources for the Internal Services program activity are displayed separately from other program activities; they are no longer distributed among the remaining program activities, as was the case in previous Main Estimates. This has affected the comparability of spending and FTE information by program activity between fiscal years.*

| **Strategic Outcome #4: Ombudsman recommendations advance Veterans Affairs' fair and equitable treatment of eligible clients** | | | | | | |
|---|---|---|---|---|---|---|
| **Performance Indicators** | | **Targets** | **2009-2010 Performance** | | | |
| Percentage of cases and issues resolved through facilitation, observations and recommendations | | 100% | **94%**<br>Of the 1,724 issues raised by stakeholders, 1,623 were processed at the Early Intervention level<br>• 89% were closed (1,569)<br>• 5% required investigation (94) | | | |
| Number of cases resolved through informal resolution | | 85% | **Actual Performance: Not assessed**<br>The OVO Client Survey and statistical sampling approach was not developed in 2009-10, but will be in place to garner client satisfaction and confidence levels to be reflected in the 2010-11 reporting period. | | | |
| **Program Activity** | **2008-09 Actual Spending ($ millions)** | **2009-2010 ($ millions)[1]** | | | | **Alignment to Government of Canada Outcomes** |
| | | **Main Estimates** | **Planned Spending** | **Total Authorities** | **Actual Spending** | |
| Office of the Veterans Ombudsman independent review and recommendations on individual complaints and systemic issues | 4.6 | 5.8 | 5.8 | 6.0 | 5.2 | *Income Security and Employment for Canadians*<br><br>Canadians are assured that Veterans who have served their country will be afforded the benefits, services and support that are their due and that none will be left behind. Veterans are assured that the Ombudsman will address their concerns. |

| ***The following Program Activity supports all Strategic Outcomes within the Portfolio*** | | | | | |
|---|---|---|---|---|---|
| **Program Activity** | **2008-09 Actual Spending ($ millions)** | **2009-2010 ($ millions)** | | | |
| | | **Main Estimates** | **Planned Spending** | **Total Authorities** | **Actual Spending** |
| Internal Services | - | 82.5 | 82.5 | 88.3 | 82.6 |

[1] *Commencing in the 2009–10 Estimates cycle, the resources for the Internal Services program activity are displayed separately from other program activities; they are no longer distributed among the remaining program activities, as was the case in previous Main Estimates. This has affected the comparability of spending and FTE information by program activity between fiscal years.*

## Contribution of Operational Priorities to Strategic Outcomes

Veterans Affairs has four strategic outcomes (two for Veterans Affairs Canada, one for the Veterans Review and Appeal Board, and one for the Office of the Veterans Ombudsman), six program activities and eight priorities.

After the 2009-10 Report on Plans and Priorities (RPP) was published, VAC adopted a new Five-Year Strategic Plan 2009-14 which restated its strategic priorities. While the 2009-10 RPP commitments can be aligned with these priorities, the priorities as published in the RPP are used in the following table for consistency in reporting.

| Operational Priorities | Type | Status | 2009-10 Report on Plans and Priorities Commitments | Linkages to Strategic Outcomes |
|---|---|---|---|---|
| Enhancing and adapting programs and services to meet the needs of our Veterans, serving members, other clients and their families (VAC) | Ongoing | **Met all**[1] | Conducted a full review of the Disability Benefit process. By March 31, 2010, the backlog of old applications was eliminated and an Action Plan was implemented to streamline administrative processes and improve wait times.<br><br>Enhanced case management through a new National Case Management Strategy that: realigned workloads within client service teams; provided case managers with more decision making authorities; introduced a new case plan tool; and realigned resources to those areas with the greatest demand.<br><br>Re-aligned VAC services and benefits, policies and operational directives by service eligibility groups to ensure Veterans and other clients receive the appropriate services and benefits.<br><br>Created the Afghanistan and Seriously Injured Unit to ensure that seriously injured individuals have immediate and ongoing access to VAC support.<br><br>Provided low income Allied Veterans of the Second World War and the Korean War with access to War Veterans Allowance and associated assistance and health benefits.<br><br>In partnership with the Department of National Defence, established 19 integrated personnel support centres on or near CF bases to provide still-serving and releasing CF with one-stop access.<br><br>Continued partnership with DND on joint priorities, namely New Veterans Charter Review, Support to CF Families, Mental Health, Casualty and Transition Management, Access to Electronic Health and Administrative Records and Remembrance to ensure modern-day Veterans receive the benefits and services they need. | **Strategic Outcome:** Eligible Veterans and other clients achieve their optimum level of well-being through programs and services that support their care, treatment, independence, and re-establishment<br><br>**Program Activities:** Veterans Compensation and Financial Support<br><br>Health Care and Re-establishment<br><br>Our programs and services must adapt to meet the ever-changing and diverse needs of our Veterans and other clients. |

[1] **Exceeded**: >100% , **Met all**: 100%, **Mostly met**: 80 – 99%, **Somewhat met**: 60 – 79%, **Not met**: < 60% (of expected level of performance)

| Operational Priorities | Type | Status | 2009-10 Report on Plans and Priorities Commitments | Linkages to Strategic Outcomes |
|---|---|---|---|---|
| | | | Completed Ste. Anne's Hospital renovations and commenced transfer discussions with the Government of Quebec.<br><br>Implemented a single point of contact for staff requiring guidance or approvals in dealing with complex issues for Veterans and other clients.<br><br>Implemented the Advocates Without Borders initiative to allow for more equitable distribution of cases among Bureau of Pensions Advocates offices and reduced turnaround times in the completion of client cases.<br><br>Worked with the Federal Healthcare Partnership to enable other departments and governments to exchange health information with a pan-canadian network of electronic health records systems. When implemented, this network will facilitate VAC's access to Veterans and other clients' medical information, reducing the time to render decisions and resulting in shorter wait-times for Veterans and other clients.<br><br>Developed, and began to implement, a national plan to realign points of service to reflect changing client demographics. As part of this, introduced Service Without Borders, an initiative that allocates resources and workloads according to Veterans and other clients demand, not geography.<br><br>Strengthened outreach to homeless Veterans and those at risk of homelessness.<br><br>Initiated a number of reviews aimed at improving wait times and streamlining processes, such as Treatment Benefits, Benefit Grids and VIP.<br><br>Improved performance measurement tools to help ensure VAC meets published service standards.<br><br>Improved decision letters to make it easier for Veterans and other clients to understand and act upon the information. | |

| Operational Priorities | Type | Status | 2009-10 Report on Plans and Priorities Commitments | Linkages to Strategic Outcomes |
|---|---|---|---|---|
| Implementing a Mental Health Strategy to enhance capacity to meet the mental health needs of Veterans and other clients (VAC) | Ongoing | **Met all**[1] | Developed an Integrated Framework for Services to Families to provide assistance during Veterans' treatment and rehabilitation process.<br><br>Strengthened the Operational Stress Injury Social Support (OSISS) program in partnership with DND to improve the provision of timely and confidential peer support to Veterans, CF members and their families.<br><br>Partnered with DND to increase access to mental health treatment and social support services and resources for CF members, Veterans and their families.<br><br>Completed the network of 10 VAC/DND operational stress injury clinics, including the Residential Operational Stress Injury Clinic at Ste. Anne's Hospital, providing Veterans and other clients with greater access to mental health services.<br><br>In support of the development of programs and services, partnered with universities to conduct research into families, Veterans and military health.<br><br>In order to support the development of programs, partnered with DND and Statistics Canada in the multi-year Life After Service Study which is made up of three studies: Income; Transition to Civilian Life Survey; and, Canadian Forces Cancer and Mortality Study. This research is needed to inform, develop and adapt programs and services for Veterans and other clients.<br><br>Enhanced capacity, access and awareness of mental health services and supports in rural and remote areas such as Newfoundland and Labrador by working with provincial, federal and community organizations, using telehealth as a mode of service delivery. | **Strategic Outcome:** Eligible Veterans and other clients achieve their optimum level of well-being through programs and services that support their care, treatment, independence, and re-establishment<br><br>**Program Activities:** Veterans Health Care and Re-establishment |
| Engaging Canadians in community-based remembrance activities with an emphasis on Canada's youth (VAC) | Ongoing | **Met all** | Marked the 65th anniversaries of D-Day, the Battle of Normandy and the Italian Campaign both in-Canada and overseas, while the Liberation of Belgium was marked in Canada.<br><br>Communicated with Canadians by partnering with MuchMusic and MusiquePlus, introducing a Facebook remembrance page in 2009 which had over 175,000 fans and posting the Veterans' Week vignette on YouTube (viewed by 32,000 individuals).<br><br>Continued to focus on in-Canada activities – a record number of in-Canada activities were posted to VAC's Calendar of Events. Overseas delegations have become smaller and more efficient so that | **Strategic Outcome:** Canadians remember and demonstrate their recognition of all those who served in Canada's efforts during war, military conflict and peace<br><br>**Program Activity:** Canada Remembers |

[1] **Exceeded**: >100% , **Met all**: 100%, **Mostly met**: 80 – 99%, **Somewhat met**: 60 – 79%, **Not met**: < 60% (of expected level of performance)

| Operational Priorities | Type | Status | 2009-10 Report on Plans and Priorities Commitments | Linkages to Strategic Outcomes |
|---|---|---|---|---|
| | | | more resources and attention can be spent supporting in-Canada events.<br><br>Provided $182,000 in funding to 112 projects through the Community Engagement Program and $443,000 in funding to 47 projects to help restore or maintain memorials and monuments across Canada. | |
| | | **Mostly met** | Completed the Canadian Forces Members and Veterans Engagement Strategy and Action Plan.<br><br>Used social media (Facebook and YouTube) and television (MuchMusic and MusiquePlus) to engage Canadian youth in remembrance. VAC also conducted public opinion research targeted at youth as another step in further adapting and implementing the youth engagement strategy | |
| Sustained program (VRAB) | Previously committed to | **Met all**[1] | Provided opportunities for applicants' claims to be heard by offering representative organizations extensive review and appeal hearing dates to schedule the claims.<br><br>Promoted the use of alternative review hearing modes such as video conferences and teleconferences to allow additional flexibility for applicants to have their claims heard in a timely manner.<br><br>Reduced the volume of claims pending a hearing through outreach with representatives. This positioned the Board to offer timely hearing schedules for the organization's incoming claims. | **Strategic Outcome:** Fair and effective resolution of disability pension, disability award, and War Veterans Allowance appeals from Canada's war Veterans, eligible Canadian Forces Veterans and still-serving members, RCMP clients, qualified civilians and their families<br><br>**Program Activity:** Veterans Review and Appeal Board redress process for disability pensions and awards. |
| Improved program delivery (VRAB) | Ongoing | **Met all** | Initiated an annual review calendar effective April 2009 which identified the schedule of hearing locations for members and representatives.<br><br>Introduced digital recording of review hearings to improve the quality of the recordings and provided on-line access to members and advocates across Canada.<br><br>Expanded the Board's scheduling application system for monitoring workload and statistical reporting to manage the claims in progress and enhance decision making and planning.<br><br>Supported members through training, study tools and professional development sessions designed to address current and emerging medical, legal and | **Strategic Outcome:** Fair and effective resolution of disability pension, disability award, and War Veterans Allowance appeals from Canada's war Veterans, eligible Canadian Forces Veterans and still-serving members, RCMP clients, qualified civilians and their families<br><br>**Program Activity:** Veterans Review and Appeal Board redress |

[1] **Exceeded**: >100% , **Met all**: 100%, **Mostly met**: 80 – 99%, **Somewhat met**: 60 – 79%, **Not met**: < 60% (of expected level of performance)

| Operational Priorities | Type | Status | 2009-10 Report on Plans and Priorities Commitments | Linkages to Strategic Outcomes |
|---|---|---|---|---|
| | | | adjudicative issues.<br><br>Engaged members and staff in decisions and matters affecting their work and discussed risks in their areas of responsibility. | process for disability pensions and awards. |
| Engaged communication with appellants and stakeholders (VRAB) | Ongoing | **Met all**[1] | Issued and communicated "Update 2009" in September on the Board's program and progress.<br><br>Updated the Board's "Review and Appeal Hearings" brochure.<br><br>Developed a strategic plan to update the content and organization of the Web site in 2010-11.<br><br>Increased communications with representatives, parliamentarians, and external parties.<br><br>Engaged in proactive communication with stakeholders and responded to the increasing information needs of applicants and Canadians. | **Strategic Outcome:** Fair and effective resolution of disability pension, disability award, and War Veterans Allowance appeals from Canada's war Veterans, eligible Canadian Forces Veterans and still-serving members, RCMP clients, qualified civilians and their families<br><br>**Program Activity:** Veterans Review and Appeal Board redress process for disability pensions and awards |
| Ensuring the fair treatment of the Veteran community and upholding the rights articulated in the Veterans Bill of Rights (OVO) | New | **Mostly met** | Implemented business processes and procedures for the operational areas of Early Intervention, Research and Investigation; and Communications based on a full year of data available to shape ongoing operations.<br><br>A systemic review of the Funeral and Burial program was completed. The review on excessive bureaucratic processes (red tape) was suspended because the Department implemented changes and improvements in many of the areas that were raised during the initial stages of the Office's review.<br><br>The Office has compiled a series of principles for the Department to use in implementing improvements to New Veterans Charter programs.<br><br>Work is underway for a systemic review of VAC's review and appeal mechanisms, including VRAB.<br><br>Observations emanating from systemic reviews were provided to the Department for early resolution of issues and program improvements to ensure the fair and equitable treatment of Veterans. | **Strategic Outcome:** Ombudsman recommendations advance Veterans Affairs' fair and equitable treatment of eligible clients<br><br>**Program Activity:** Office of the Veterans Ombudsman independent review and recommendations on individual complaints and systemic issues |

[1] **Exceeded**: >100% , **Met all**: 100%, **Mostly met**: 80 – 99%, **Somewhat met**: 60 – 79%, **Not met**: < 60% (of expected level of performance)

Management Priorities

VAC'S management priorities for the effective delivery of programs and services included strengthening its corporate management operations. During 2009-10, the Department enhanced its audit and evaluation capacity and financial controls. VAC also improved risk management through tools such as the Corporate Risk Profile and Business Continuity Plans.

The Department continued its client-focused approach to service delivery, which was supported by its Information Management and Technology framework. VAC worked closely with other organizations and stakeholders to address common challenges and to foster the development of cohesive policies and improvements to service delivery. In addition, the Department also supported the Clerk of the Privy Council's priorities for Public Service Renewal, including further integration of Human Resources planning with departmental business planning. Additional information on these management priorities is provided in the following table.

| Management Priorities | Type | Status | 2009-10 Report on Plans and Priorities Commitments | Linkages to Strategic Outcomes |
|---|---|---|---|---|
| Enhancing organizational effectiveness (VAC) | Ongoing | **Met all**[1] | Hired 55 post-secondary graduates, including 11 visible minority recruits through the Post Secondary Recruitment Program.<br><br>Enhanced information technology systems to support internal and external service delivery with a priority on direct client service, including IT support to establish the integrated personnel support centres.<br><br>Provided IT service support and delivery in several areas to improve client and provider access to information, including: the development of the Benefits & Health Services On-Line (BHSOL) system; external Web site; and the new commemoration social networking sites (Facebook and YouTube).<br><br>Partnered with the Public Service Commission (PSC) to deliver information technology services to employees, providing efficiencies for the Government of Canada through shared services.<br><br>Introduced a new managers and supervisors orientation program with functional experts to share their knowledge and experience. Evaluated VAC's on-line orientation tool kit for new employees.<br><br>Enhanced the performance management process for executives based on key leadership competencies.<br><br>Established a Senior Risk Management Board which routinely considered corporate risks while providing oversight to program and service delivery and business continuity planning. | **Strategic Outcome:** Links to all Strategic Outcomes<br><br>**Program Activity:** Internal Services |

[1] **Exceeded**: >100% , **Met all**: 100%, **Mostly met**: 80 – 99%, **Somewhat met**: 60 – 79%, **Not met**: < 60% (of expected level of performance)

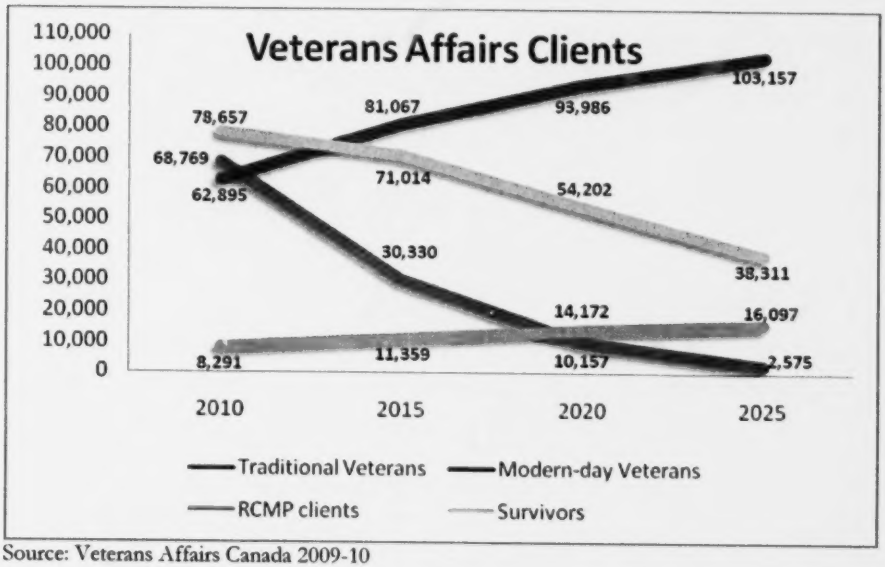
| Management Priorities | Type | Status | 2009-10 Report on Plans and Priorities Commitments | Linkages to Strategic Outcomes |
|---|---|---|---|---|
| | | | Strengthened financial management and internal controls to improve the quality of reporting and financial management capacity. | |
| | | **Mostly met**[1] | Strengthened audit and evaluation capacity through project management, human resources planning and training initiatives. Initiated an external quality assurance review by the Office of the Auditor General to be completed in 2010-11.<br><br>Examined all major payment streams; identified and assessed key financial controls; and implemented significant adjustments to departmental processes in support of departmental audited financial statements. | |

[1] **Exceeded**: >100% , **Met all**: 100%, **Mostly met**: 80 – 99%, **Somewhat met**: 60 – 79%, **Not met**: < 60% (of expected level of performance)

**Response to Changing Expectations of Veterans and other clients**

**Operating Environment**

VAC provides access to programs and services for unique client groups (see chart below) who have distinct priorities and needs. The rapid shift in our client demographics, combined with their expectations and needs, means that VAC is entering an era of unprecedented change.



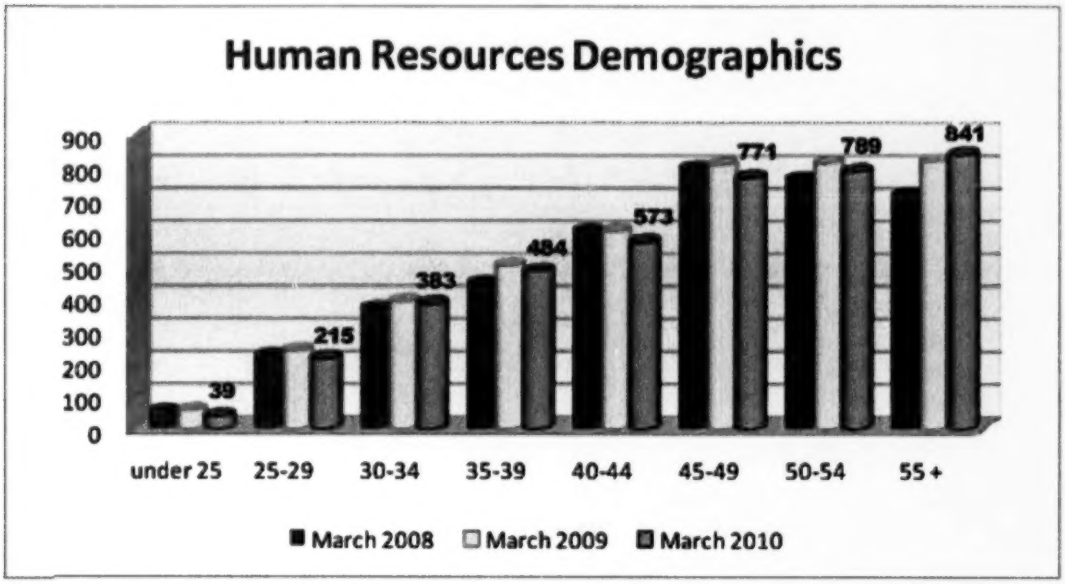

Source: Veterans Affairs Canada 2009-10

The number of traditional Veterans is declining; however, their care needs are becoming more complex while the demand and intensity of care required to support these Veterans and their spouses continues to rise. Canadian Forces (CF) Veterans are usually younger with dependants and are primarily located in communities in close proximity to Canadian Forces bases. The Department is realigning its points of service to ensure that VAC is located or has a presence where Veterans and other clients reside, providing access to its programs and services through a network of locations throughout the country, including points of service on Canadian Forces bases. Programs and services can be delivered through partnerships, the provinces and third parties, which presents a challenge for results reporting.

Ste. Anne's Hospital, the Government of Canada's only remaining long-term care facility, also provides day support services and mental health services to aging Veterans.

While maintaining a balance between effective service delivery, client outcomes and management accountability, VAC is faced with the challenge of providing access to appropriate programs and services to meet the needs of Veterans and other clients. During the past year, issues such as: the need for program and service transformation; the continuity of service and care to Veterans at Ste. Anne's Hospital during major renovations; discussions regarding the transfer of the hospital to the Government of Quebec; and, the continuity of access to health care services have impacted the workforce as they strive to implement efficient and effective programs and service delivery. VAC continues to ensure that its programs and services adapt to changing client needs in a timely manner and that staff are supported with the right tools and training. Strategically linking corporate

governance with performance management enabled VAC to focus on the key drivers that support service modernization.




Source: Veterans Affairs Canada 2009-10

VAC faces the continuing challenge of redirecting internal resources to support the implementation of these initiatives. As of March 31, 2010, the Portfolio had approximately 4,500 employees (87% indeterminate, 4% term, 9% part-time, casual, students and others). There are 366 Veterans Affairs employees eligible to retire without penalty (55 years old with 30 years of service or 60 years old with 2 years of service) as of March 31, 2010.

During this time of transformation, Veterans Affairs has developed a Departmental Human Resources Management Framework to effectively manage its workforce and advance organizational transformation. The establishment of a Resource Review Committee ensures a corporate, consistent and transparent approach to reallocate resources to positions when they become available.

*Government Context*

The Portfolio's priorities, policies, programs and services are aligned with the priorities of both the Government of Canada and the Clerk of the Privy Council. Specifically, through activities such as its Integrated Human Resources and Business Planning, Veterans Affairs advanced the Government's public service renewal initiatives and supported the economic priorities of ensuring sound budgeting and making government more effective.

*Partnerships*

Partnerships are a fundamental component of VAC's service delivery. For example, VAC worked closely with DND to provide seamless transition for releasing CF members and their families. In addition, through the Federal Healthcare Partnership, VAC and other federal partners collaborated to identify, promote and implement more efficient and effective health care programs. This partnership provided strategic leadership and maintained health care service levels for Veterans and other clients while achieving economies of scale. The Department also worked with provincial, territorial, and regional health authorities to address the needs of Veterans and other clients, and

communicated on a regular basis with stakeholder organizations that advocate on behalf of their members for improved health, social, home and long-term care services.

In addition, VAC co-located with Service Canada at some of our points of service, strengthened digital imaging capacity in partnership with PWGSC, partnered with international Departments of Veterans Affairs, and worked with national and international authorities such as the War Graves Commission, Last Post Fund and Juno Beach Centre.

Through the Partnership Contribution Program, VAC financially assisted non-profit groups with commemorative initiatives and cenotaph/monument restoration.

**Risk Analysis**

In managing risks related to all these challenges, VAC aims to strengthen organizational resilience in terms of its staff and organizational structure, reinforce management excellence and, ultimately, enhance program results. The Corporate Risk Profile and other risk assessments undertaken in 2009-10 have led to improved management and decision making throughout the Department.

VAC's formal risk management and oversight regime in 2009-10 identified, monitored and managed risks that could compromise the achievement of the Department's strategic outcomes. This included frequent risk assessments, integration of risk information with departmental planning, resource allocation and reporting processes, and regular reporting of risk exposures to senior executives. All of these activities ensured that VAC managers and senior executives monitored significant risks regularly and have the information necessary to make timely and informed decisions.

The Department identified three specific key risks and their associated mitigation strategies for 2009-10, and two opportunities. These risks, and the primary mitigation measures and departmental responses implemented during the year, are presented in the following table.

| Risks | Portfolio Responses |
|---|---|
| Program and service delivery transformation | Maximized research and relations with stakeholders and strategic partnerships to enhance policies, business processes and services to ensure seamless and integrated delivery of programs and services to meet the needs of Veterans and other clients.<br><br>Used governance structures to ensure contracts adhere to Treasury Board and Portfolio approved policy, guidelines and regulations, while strengthening investment planning.<br><br>Integrated project management expertise while strengthening program and financial management, including monitoring and internal controls, to ensure programs and services are effectively administered and monitored.<br><br>Continued technology improvements to support Web site access and on-line applications for Veterans and other clients. |
| Ensuring continuity of service to Veterans at Ste. Anne's Hospital | Maintained quality care and services for Veterans.<br><br>Continued the long-standing policy of the Government of Canada to transfer federal hospitals to provincial control through discussions with the Government of Quebec on a potential transfer of Ste. Anne's Hospital. |

| | |
|---|---|
| Ensuring continuity of health program delivery | As part of the re-contracting effort related to the Federal Health Claims Processing Service, Veterans Affairs has worked to develop a detailed Statement of Work and Request for Proposals to guide a fair and transparent procurement process. However, the recommendations of the recent Independent Assessment may result in significant changes to existing departmental business processes, which would impact on the currently identified requirements for the Federal Health Claims Processing Service. As a result, a review is underway to examine the implications of re-engineering VAC's programs and services on the currently defined Statement of Work to determine if changes are necessary and, in concert with PWGSC, determine potential implications for the re-contracting time line and the current contract which is in place until 2015.<br><br>Strengthened the Operational Stress Injury Social Support program and the Clinical Care Manager network. |

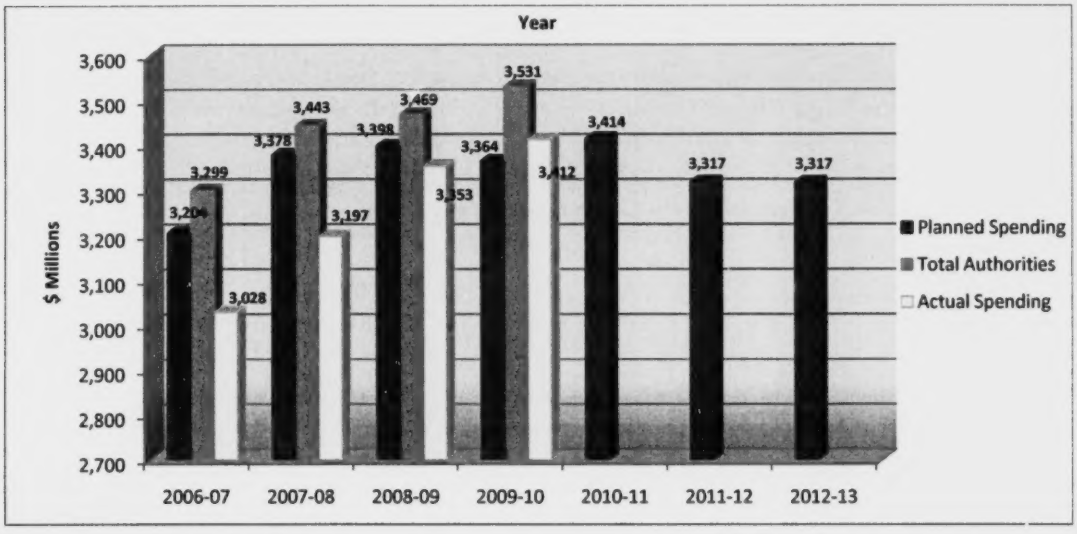
| **Opportunities** | **Portfolio responses** |
|---|---|
| Performance management improvements | Consulted with traditional and modern-day Veterans, CF members, stakeholders and Canadians—especially youth—to ensure remembrance activities reflect how they wish to see Canadian Veterans honoured and recognized.<br><br>Strengthened program performance management through the implementation of a framework to provide a consistent approach to program oversight, management, and reporting.<br><br>Completed a review of the benefit decision making process and a benefit grid review, implementing recommendations which streamlined administrative processes and freed up resources to better support case management activities.<br><br>Established the Afghanistan and Seriously Injured Unit to focus on those with serious injuries to ensure their most immediate needs were addressed quickly<br><br>Began an independent assessment, as a follow-up to the 2008 strategic review exercise, to ensure the effectiveness of programming and funding to meet the needs of Canada's Veterans and their families for the future.<br><br>Increased the capacity of existing staff through learning and development opportunities with a focus on leadership, core competency development and enhancing bilingual capacity. |
| Enhancing client interaction | Working closely with DND, increased points of service by implementing 19 integrated personnel support centres on or near Canadian Forces bases and completed the network of 10 VAC/DND operational stress injury clinics with four new clinics.<br><br>Facilitated immediate access to casualty reports, medical reports and service records needed for Veterans and other clients to apply for VAC programs and services.<br><br>Created the Afghanistan and Seriously Injured Unit to focus on Veterans and other clients with serious injuries to ensure that their most immediate needs are addressed quickly.<br><br>Realigned points of service and staff to ensure that sufficient resources are in place in areas where there is increasing client demand. The Department also made it easier for Veterans and other clients to talk directly to staff about their case plan or their disability benefit decision.<br><br>Promoted access to New Veterans Charter programs and services though information sessions for DND members and families, the distribution of publications |

| | |
|---|---|
| | such as NVC publications and VAC's client newspaper *Salute!*, the departmental Web site, and through service providers.<br><br>Reviewed decision letters to ensure the clarity and ease of understanding of the message.<br><br>Implemented Issue Resolutions Officer positions to assist the National Client Contact Network (NCCN) with the resolution of complex client issues, and improved support and guidance for NCCN staff while interacting with the client. |

**Expenditure Profile**

The Veterans Affairs spending trend shows actual expenditures increased in 2009-10 over previous years. The increases relate to several factors including: the implementation and gradual uptake of programs under the New Veterans Charter; annual price indexation adjustments for benefits paid to or on behalf of Veterans and other clients; increased eligibility for benefits under the Veterans Independence Program for primary caregivers and low-income or disabled survivors; *ex gratia* payments related to the use of Agent Orange at CFB Gagetown; additional funding provided through Budget 2007 for enhanced services to Veterans, the establishment of four additional operational stress injury clinics and the establishment of the Office of the Veterans Ombudsman; and salary cost adjustments related to signed collective agreements.

The above increases were partially offset by a decline in client numbers for disability pensions and allowances, war veterans allowances, and treatment benefits including prescription drugs.




Source: Veterans Affairs Canada 2009-10

## Voted and Statutory Items Displayed in Main Estimates

| ($ millions) | | | | | |
|---|---|---|---|---|---|
| Vote # or Statutory Item (S) | Truncated Vote or Statutory Wording | 2007-2008 | 2008-2009 | 2009-2010 | |
| | | Actual Spending | Actual Spending | Main Estimates | Actual Spending |
| 1 | Veterans Affairs – Operating expenditures* | 867.7 | 924.6 | 939.4 | 912.5 |
| 5 | Veterans Affairs – Capital expenditures | 26.3 | 22.4 | 11.1 | 9.0 |
| 10 | Veterans Affairs – Grants and contributions | 2,250.2 | 2,350.5 | 2,364.3 | 2,432.4 |
| 15 | Veterans Affairs – Veterans Review and Appeal Board - Operating expenditures | 10.2 | 12.2 | 9.7 | 10.4 |
| (S) | Contributions to employee benefit plans | 41.4 | 43.3 | 39.3 | 47.2 |
| (S) | Minister of Veterans Affairs' salary and motor car allowance | 0.1 | 0.1 | 0.2 | 0.1 |
| (S) | Veterans Insurance Actuarial Liability Adjustment | 0.2 | 0.1 | 0.2 | 0.1 |
| (S) | Refund of amounts credited to revenue in previous years | 0.2 | - | - | 0.5 |
| (S) | Court Awards | 0.1 | - | - | - |
| (S) | Spending of proceeds from the disposal of surplus crown assets | 0.1 | 0.1 | - | - |
| (S) | Repayments under section 15 of the *War Service Grants Act* of compensating adjustments made in accordance with the terms of the *Veterans' Land Act* | - | - | - | - |
| (S) | Returned Soldiers Insurance Actuarial Liability Adjustment | - | - | - | - |
| (S) | Re-Establishment Credits under Section 8 of the *War Service Grants Act* | - | - | - | - |
| | **Total Portfolio** | 3,196.5 | 3,353.3 | 3,364.1 | 3,412.2 |

Significant differences between the 2008-09 and 2009-10 reporting periods include: increased benefits payments due to the gradual uptake of programs under the New Veterans Charter; increased benefit payments due to increased eligibility under the Veterans Independence Program for primary caregivers and low-income or disabled survivors; and increased cost for health care related to audio services, special equipment and operational stress injuries. These increases were offset by decreased ex-gratia payments related to the use of Agent Orange at CFB Gagetown, and decreases in payments for Disability Pensions and War Veterans Allowances due to declining numbers of Veterans and other clients.

* Vote 1 includes Administrative and overhead costs incurred to support the delivery of programs ($307.2 million in 2008-09, $293.7 million in 2009-10). The balance of Vote 1 is for: Goods and services purchased on behalf of Veterans, such as prescription drugs, long-term care, etc. ($587.0 million in 2008-09, $595.4 million in 2009-10); New Veterans Charter health, vocational rehabilitation and job placement services ($5.3 million in 2008-09, $10.7 million in 2009-10); and *ex gratia* payments related to the use of Agent Orange at CFB Gagetown ($25.1 million in 2008-09, $12.7 million in 2009-10).

# SECTION II - ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME

### Strategic Outcome # 1:

**Eligible Veterans and other clients achieve their optimum level of well-being through programs and services that support their care, treatment, independence, and re-establishment.**

| Performance Indicators | Targets | 2009-10 Performance |
|---|---|---|
| Percentage of Veterans and other clients who report satisfaction with the programs and services offered by Veterans Affairs Canada | 85% | 80% |
| Percentage of war service Veterans who were assessed in the last year and who have either maintained or improved their overall health status | 75% | 52% maintained or improved general health<br>87% maintained or improved mental health |
| Percentage of Canadian Forces Veterans and other clients participating in New Veterans Charter programs who report improved overall health status | 15% | 15% improved general health<br>21% improved mental health |

**Program Activity 1.1: Veterans Compensation and Financial Support**

| 2009-10 Financial Resources ($ millions) | | | 2009-10 Human Resources (FTEs) | | |
|---|---|---|---|---|---|
| **Planned Spending** | **Total Authorities** | **Actual Spending** | **Planned** | **Actual** | **Difference** |
| 2,057.1 | 2,188.9 | 2,169.1 | 931 | 1,033 | (102) |

| Expected results | Performance Indicators | Targets | Performance Status | Performance Summary |
|---|---|---|---|---|
| Eligible Veterans and other clients of Disability Pensions, Financial Support, Awards and Allowances Programs are appropriately compensated to contribute to their well-being | Percentage of Veterans and other clients that feel that the programs and services which they have received address their basic needs (measured every two years) | 85% | 80% (Mostly met) | VAC surveyed 1,401 Veterans and other clients in 2010. Overall, 80% felt that the programs and services they received met their basic needs. The breakdown by client groups is as follows:<br>87% for traditional Veterans;<br>86% for survivors;<br>79% for RCMP; and<br>69% for modern-day Veterans.<br><br>Source: 2010 National Client Survey<br>Client groups: war service Veterans, Canadian Forces Veterans and members, Royal Canadian Mounted Police and survivors. |

### Veterans Compensation and Financial Support

Veterans Affairs provides, upon eligibility, pensions or awards for disability or death and financial support as compensation for hardships arising from disabilities and lost economic opportunities. Veterans Affairs has a comprehensive and integrated range of compensation and wellness programs to support its Veterans and other clients. This includes: Veterans of the Second World War and the Korean War, Merchant Navy Veterans, Canadian Forces Veterans, Canadian Forces members, spouses, common-law partners, certain civilians, and survivors and dependants of military and

civilian personnel. Veterans Affairs also administers disability pensions for the Royal Canadian Mounted Police under a Memorandum of Understanding.

**Performance Analysis**

VAC's mission is to provide access to client-centered programs and services that respond to the needs of Veterans, other clients and their families, in recognition of their service to Canada. Since March 2009, VAC, in partnership with the Department of National Defence, implemented 19 integrated personnel support centres (IPSC) across the country at Canadian Forces wings, bases and units spanning all three military environments. The IPSCs were established to ensure that modern-day Veterans are aware of, and have easy access to, information and advice about programs and services offered by VAC and DND. All VAC programs and services can be accessed in the IPSC which results in a more responsive approach to helping Veterans and other clients.

The Department continued to streamline its policies, processes and other tools to reduce red-tape and, where necessary, aligned resources to work toward meeting established service standards.

The Department also focused on responding to the needs of its seriously injured Veterans and other clients, including those who served in Afghanistan. The Afghanistan and Seriously Injured Unit was established to focus on those with serious injuries to ensure their most immediate needs were addressed quickly.

VAC improved its capacity for digital imaging for scanning documents so that information is readily on hand and evaluated options for a new telephony system to facilitate client telephone access to VAC.

The Advocates Without Borders initiative and the standardization of work processes across the country have enabled the transfer of work from one office to another based on the availability of staff. Turnaround time has been reduced from 166 to 74 days over the past two years. This contributes to more timely results and overall client satisfaction.

Performance measurement strategies have been developed to guide ongoing measurement and performance monitoring for disability compensation and income support programs and support ongoing improvements to programs and services.

A comprehensive report on the disability benefits process provided recommendations to improve the delivery of disability benefits. These recommendations addressed enhanced decision-making workload management and performance monitoring. A phased-in approach, implemented under current authorities and guided by established priorities has eliminated the backlog of old disability applications as the first step in an Action Plan to reduce wait times from 24 weeks to 16 weeks by March 31, 2011.

In addition, a comprehensive review of the treatment benefit decision-making processes was undertaken to address inefficiencies. The report recommended clearer roles and responsibilities and the delegation of decision making to front-line staff. The recommendations are being implemented in 2010-11.

**Lessons Learned**
The Afghanistan and Seriously Injured Unit has been very successful in responding quickly to the needs of seriously injured Veterans and other clients. However, ongoing streamlining of business processes and improving wait times are critical to effectively meet the needs of all Veterans and other clients.

The realignment of workloads in client service teams allowed case managers more time to spend with high needs Veterans and other clients, the consolidation of disability benefit processes enhanced efficiencies, and the Service without Borders initiative will allow work to be moved where client demands are greatest. In addition, the Department needs to continue to maximize resources through strategic partnerships and alliances with Service Canada, DND and PWGSC.

In order to improve client service, the Department is faced with the need to transform VAC's Web site into a tool that can support on-line applications, client tracking of applications, and social media.

Due to upcoming changes in employee demographics (high retirement potential over next five years), knowledge transfer is a key concern and must be managed. For example, VAC has re-examined the training of its new employees and is exploring new technology to assist with knowledge transfer.

The Department continues to build its capacity to measure the effectiveness of its programs and services in achieving the expected client outcomes.

**Benefits for Canadians**
The Department improves the quality of life for Canadians through providing appropriate compensation to CF members, modern and traditional Veterans, Royal Canadian Mounted Police and their families, to the benefit to all Canadians on whose behalf they serve. This is accomplished by partnering with DND, RCMP and other departments and organizations to serve a shared clientele, using technology to improve service delivery and manage programs, and streamlining processes to focus on Veterans and other clients with the greatest needs.

Disability Benefits paid out in 2009-10 provided approximately 186,000 Veterans and other clients with $2.1 billion in tax-free disability benefits that contribute to their ability to maintain their independence and well-being, and support their families.

Canada is the only nation in the world to offer free arms-length legal services for its Veterans who are dissatisfied with decisions concerning their applications for disability benefits.

| Program Activity 1.2: Veterans Health Care and Re-establishment | | | | | |
|---|---|---|---|---|---|
| **2009-10 Financial Resources ($ millions)** | | | **2009-10 Human Resources (FTEs)** | | |
| **Planned Spending** | **Total Authorities** | **Actual Spending** | **Planned** | **Actual** | **Difference** |
| 1,162.7 | 1,185.8 | 1,104.3 | 1,855 | 1,909 | (54) |
| **Expected results** | **Performance Indicators** | **Targets** | **Performance Status** | **Performance Summary** | |
| VAC contributes to the well-being of Veterans and other clients through the provision of health benefits and rehabilitation services | Percentage of New Veterans Charter clients with improved quality of life | Significant[1] improvement | Significant improvement in mental health scores for those completing the program in 2008-09; however no significant improvement was found with respect to physical health. | When compared to modern-day Veterans entering the New Veterans Charter Rehabilitation Program, those who completed the NVC Rehabilitation Program during the 2008-09 fiscal year:<br>• demonstrated significantly improved mental health status;<br>• felt significantly more prepared to find and keep employment, and had significantly greater levels of knowledge of individual job finding tasks;<br>• were significantly more likely to be working (unless retired or unable to work due to disability), enjoying an overall rate of employment of 91%;<br>• were significantly more likely to be able to meet their basic living expenses - 98% reported that their financial resources were sufficient to meet their basic living expenses or better;<br>• were significantly more likely to report a "very strong" or "somewhat strong" sense of belonging to their community.<br><br>Source: Re-establishment Survey 2008-09<br>Client group: Veterans and other clients who completed the Rehabilitation Program in 2008-09. | |
| | Percentage of Veterans Independence Program clients who report improved or maintained health | 75% | 55% general health<br><br>86% mental health | VAC measured the self-reported general and mental health status of 913 Veterans and other clients who were in receipt of the VIP program to determine the extent to which their health status changed over the past year.<br>• 86% of recipients indicated that their mental health was "about the same" or had improved<br>• 55% indicated that their general health was "about the same" or had improved over the preceding year.<br><br>In the survey, 86% reported that VIP met their needs, while 91% indicated that they rely on VIP to remain in their homes.<br><br>Source: 2010 National Client Survey<br>Client Group: Veterans and other clients in receipt of VIP benefits. | |

[1] The term statistically significant describes a mathematical measure of difference between groups. The difference is said to be statistically significant if it is greater than what might be expected to happen by chance alone.

**Veterans Health Care and Re-Establishment**
Veterans Affairs provides access to health benefits, a Veterans Independence Program, long-term care, and rehabilitation and re-establishment support to eligible Veterans and others. The Health Care Program is designed to enhance the quality of life of Veterans and other clients, promote independence, and assist in keeping Veterans and other clients at home and in their own communities by providing a continuum of care.

**Performance Analysis**
The health and re-establishment programs offered by VAC are targeted to reduce the vulnerability of Canadian Veterans and other clients by meeting their health care needs and fostering rehabilitation to the extent possible. Despite the poor health status of many Veterans and other clients, surveys and administrative data suggest that VAC programs are having a positive impact on their health and well-being. In one example, the 2010 National Client Survey found that 87% of traditional Veterans maintained or improved their mental health in comparison to a year ago.

VAC provided funding for nursing home care for more than 10,000 Veterans in facilities across Canada, including Ste. Anne's Hospital, the last remaining federal hospital administered by the Department. A Nursing Assessment Initiative is currently underway to assist in ensuring that long-term care facilities are meeting the health and support needs of Veterans and other clients, including follow-up to address any issues requiring referral or intervention.

***Did you know?***

VAC strives to support Veterans in long-term care in their home community close to their family and social networks.

Long Term Care Client Satisfaction Surveys indicate that the vast majority (98%) of Veterans or their family members were overall satisfied with the services provided at the care facilities.

Renovations at Ste. Anne's Hospital were completed in 2009-10. The delivery of care and services was maintained throughout the process. The transition of Veteran residents and employees to the renovated areas as they were completed was done gradually to ensure sufficient time for adjustment and staff training while ensuring the needs of Veterans were met and quality care was provided.

Home care and other Veterans Independence Program services assist Veterans in remaining in their own homes for as long as possible. VAC provided home care and support services to almost 108,000 Veterans and other clients. In 2009-10, only 4.4% (1,195) of Veterans participating in the VIP program entered a long-term care institution. Their average age was 87 years.

The Department provided health care benefits to more than 104,000 Veterans and other clients as of March 31, 2010. The 2010 Client Survey found that 74% of Veterans and other clients eligible for health benefits indicated that "overall, the program meets their needs," with eligible traditional Veterans at 92% and eligible modern-day Veterans at 60%. VAC responded through initiatives such as working with DND to open 19 integrated personnel support centres on or around CFB bases, wings and units, strengthening case management and service delivery, and enhancing access to mental health services for Veterans and their families.

VAC has been providing access to medical, psycho-social and vocational rehabilitation services to our modern-day Canadian Forces Veterans as part of the New Veterans Charter since April 2006. As of March 31, 2010, 3,427 Veterans and other clients were participating in rehabilitation services. Veterans and other clients participating in the Rehabilitation and Vocational program have poorer mental and physical health and are more at risk for depression than the general population (58% compared to 20%). Although still high in comparison to the general population, those who completed the program were found to be significantly less at risk of depression at 36%. While the

Department's programs can be seen to be making a difference, these findings have significant implications in terms of the degree and duration of support necessary to assist these Veterans and other clients to successfully re-establish into civilian life.

Veterans Affairs continued to strengthen its case management through the development of case plan tools and processes such as a review of treatment benefits and workload distribution, more specifically in the area of case management. At the same time, VAC developed a plan to realign resources based on the changing demographics, to ensure that the right resources are in the right place, at the right time, to serve Veterans and other clients.

**Lessons Learned**
While the Department has been successful in providing the tools and processes required to support case management, more must be done, such as increased training to support staff in delivering the Rehabilitation Program.

The Department continues to build its capacity in case management through training and new tools. Research supports the need for early, intensive case management that continues beyond the 18–24 months first anticipated under the New Veterans Charter. The Department is also building its capacity to measure the effectiveness of its programs and services in achieving the expected client outcomes.

**Benefits for Canadians**
VAC's service delivery focused on providing access to services where they are most needed. Client access to health benefits and services is delivered through partnerships with third party providers and supported by case managers at offices across the country. VAC staff are supported through the technology and training needed to deliver the required services to meet individual client needs.

The Department provided $1.1 billion in funding to approximately 106,000 eligible Veterans which helped to ensure Veterans received a consistent level of quality care no matter where they lived. Ten thousand Veterans are receiving long-term care in more than 174 facilities, the majority of which are located in, or near, the Veteran's home community so that family and friends are able to visit and support them, as needed. The Veterans Independence Program helps to ensure that almost 108,000 Veterans and other clients have the support they need to continue to live independently within their own home or community, for as long as possible. It also helps to support those in the community who provide VIP services, such as the 6,300 VIP providers that are registered with us.

The Federal Healthcare Partnership helps to ensure that the Department maximizes taxpayers' dollars on health expenditures.

VAC's best practices with respect to geriatric care, as well as the care and treatment of individuals with mental health conditions, are shared with the broader health care community, to strengthen Canada's capacity to support aging Canadians and those with mental health conditions.

**Strategic Outcome # 2:**

**Canadians remember and demonstrate their recognition of all those who served in Canada's efforts during war, military conflict and peace.**

| Performance Indicators | Targets | 2009-10 Performance |
|---|---|---|
| Percentage of Canadians engaged in remembrance | 15% | 46% |

| Program Activity 2.1: Canada Remembers | | | | | |
|---|---|---|---|---|---|
| 2009-10 Financial Resources ($ millions) | | | 2009-10 Human Resources (FTEs) | | |
| Planned Spending | Total Authorities | Actual Spending | Planned | Actual | Difference |
| 44.8 | 49.7 | 38.9 | 103 | 97 | 6 |
| **Expected results** | **Performance Indicators** | **Targets** | **Performance Status** | **Performance Summary** | |
| A Canadian public that is informed of military history and engaged in honouring the contributions of Veterans and those who gave their lives in the cause of peace and freedom | Percentage of Canadians who are aware of the contributions and sacrifices of Canadian Veterans (measured every two years) | 60% | 79% (Exceeded) | The number of individuals who are aware of the contributions and sacrifices of Canadian Veterans remains high at 79%, a slight decrease from 2008 (84%). The vast majority of Canadians (92%) agreed that Canada's Veterans should be recognized for their sacrifices. Agreement was also widespread in terms of feeling a sense of pride in the role that Canada's military has played (82%), and for the view that Canada's Veterans have made major contributions to the development of our country (79%). Somewhat fewer agreed that they were knowledgeable about the role that Canada's military has played (70%), and that he/she makes an effort to demonstrate his/her appreciation to Veterans (63%).<br><br>Source: 2010 "Canadians' Awareness, Engagement & Satisfaction with Remembrance Programming Survey".<br>Client group: Canadian public | |

**Canada Remembers**

Remembrance programming keeps alive the achievements and sacrifices made by those who served Canada in times of war, military conflict and peace; engages communities in remembrance of these achievements and sacrifices; and promotes an understanding of their significance in Canadian life as we know it today.

**Performance Analysis**

VAC supported remembrance activities in Canada through all types of partnerships including, but not limited to: funding; promotion; inter-governmental and inter-departmental cooperation; remembrance products; and learning and historical resources. All these activities contributed to the success of re-focussing on in-Canada remembrance activities. In addition, the high tempo of operations in Afghanistan is also contributing to Canadians' interest and engagement in remembrance.

Canadians continue to embrace and support remembrance. The number of traditional Veterans is decreasing and the number of modern-day Veterans is increasing. VAC continues to provide opportunities for Canadians to become informed about, and engaged in paying tribute to Canadian war dead, traditional and modern-day Veterans. Maintaining 14 memorials in Europe, supporting eligible Veterans families with dignified funerals and burials through the Funeral and Burial Program and maintaining the graves of Canadian war dead and Veterans are examples of some of the ways VAC honours their memory.

In 2009-10, traditional activities, such as overseas events to mark significant military anniversaries, including the 65th anniversary of D-Day and the Normandy Campaign and the Italian Campaign, were well received. These events brought closure to several elderly Second World War Veterans who were able to say farewell to their fallen comrades, while the youth delegates experienced history. In keeping with the goal to focus on in-Canada remembrance activities, many commemorative events took place in Canada to mark these significant anniversaries including: signature ceremonies of remembrance at the National War Memorial; community-led D-Day activities across the country; and Veterans' Week 2009 activities.

When asked questions about awareness, knowledge, recognition and pride with regard to the contributions and sacrifices of Canadian Veterans, the vast majority of Canadians (92%) agreed that Canada's Veterans should be recognized for their sacrifices (with 76% completely agreeing). Agreement was also widespread in terms of feeling a sense of pride in the role that Canada's military has played (82%) and for the view that Canada's Veterans have made major contributions to the development of our country (79%).

***Did you Know?***

*VAC introduced a Facebook remembrance page in 2009*

*Over 175,000 fans joined and added their support for the commemoration of Canadian Veterans, past and present*

*The 2009 Veterans' Week vignette was posted on YouTube and viewed by 32,000 individuals*

To support the Veterans' Week 2009 call to action "How Will You Remember?" VAC used leadership, innovation and commitment in a Government of Canada "first" – using new social media tools to share traditional messages.

VAC produced a DVD targeted at Canadian youth that contained videos and images so they could create their own electronic tributes to Veterans. VAC partnered with MuchMusic and MusiquePlus to engage Canadian youth in remembrance and Veterans' Week. There were 478 Veterans' Week 2009 activities posted to VAC's electronic Calendar of Events—up from 320 in 2008.

In 2009-2010, there was an unprecedented number of remembrance activities (708) posted on the Calendar of Events. Visits to the Calendar have increased by 256% over the past three years (22,000 in 2009-2010). Visits to the "Canada Remembers" and "Youth and Educators" features of VAC's Web site remained constant from previous years at approximately 2.8 million visits. In 2009, Canada Remembers created a variety of on-line learning and historical resources such as:

- information about the historical significance and activities to mark the three 65th anniversaries marked in 2009;
- 476 "Heroes Remember" video clips;
- "*La Force Francophone*" Web feature;
- 2009 Veterans' Week materials; and

- Public information sheets on the Canadian Forces in post-war years, the Burma Campaign and the Italian Campaign.

In addition, VAC filled more than 10,000 orders for learning and public information totalling over three million products in 2009-10.

In 2009, VAC took another look at the development and adaptation of its approach to engage youth. An on-line survey of youth (13–17 years old) was conducted to assess their current knowledge and interest in remembrance and VAC's products and their preferred method of receiving information. The results of this survey show that 58% of youth have at least a moderate interest in remembrance and that 80% of them identify the World Wide Web as a preferred source of information, but only 13% have visited VAC's Web site. Of those youth respondents who had visited the site, the usefulness was rated as good by 81% and user friendliness of the site received a rating of 76%. The visual appeal only impressed 63%.

VAC's partnership with the Canadian Football League (CFL) again brought remembrance to Canadians during the two 2009 semi-final games by prominently displaying remembrance messages to approximately 60,000 fans in the stadiums and to more than 3.3 million television viewers and CFL Web site visitors. The Department also partnered with communities in support of 112 remembrance activities and 47 monument/cenotaph restoration projects in 2009.

The strategy to engage Canadian Forces members and modern-day Veterans was completed during 2009-10, resulting in activities to engage modern-day Veterans such as: VAC's Peace Module, which is presented to more than 3,200 youth a year at Encounters with Canada sessions, public information resources that tell the story of Canadian Forces members and modern-day Veterans, the post-Korean War Book of Remembrance, VAC's "Heroes Remembers" video clips that feature modern-day Veterans and having modern-day Veterans as ceremonial participants at community events will continue.

The last known Canadian Veteran of the First World War, Mr. John Babcock, passed away on February 18, 2010. To recognize the end of an era and all the men and women who played a role in the Great War, Books of Reflection were located across the country for Canadians to sign, while commemorative services will be held at the National War Memorial and in many cities across Canada on Vimy Ridge Day, April 9, 2010.

**Lessons Learned**

VAC continues to update its action plan and engage in studies to find ways to better meet the recognition needs of modern-day Veterans. In-depth exploration with CF members and modern-day Veterans will assist VAC in the future direction of remembrance programming for these men and women.

The remembrance Facebook site was expected to engage Canadians, specifically youth. Although the overall objective was realized, it did not succeed as hoped with youth aged 12–18. The lesson learned is that more direct consultation with youth is needed, as well as the services (advice and guidance) of an expert in youth culture. The research conducted with youth in the spring of 2010 provided information to move forward with future programming aimed at youth.

**Benefits for Canadians**

The Canada Remembers program activity has made a difference in the lives of Canadians and helped them become active in remembrance in a number of ways. VAC also has a stewardship role in that it cares for the symbols of remembrance found in cemeteries and on monuments all over the world. All of these activities engage Canadians in remembrance so that they are aware of and come to appreciate the efforts of Canadian service men and women, remembering and showing our gratitude.

**Strategic Outcome # 3:**

**Fair and effective resolution of disability pension, disability award, and War Veterans Allowance appeals from Canada's war Veterans, eligible Canadian Forces Veterans and still-serving members, RCMP clients, qualified civilians and their families.**

| Performance Indicators | Targets | 2009-10 Performance |
|---|---|---|
| Percentage of client concerns that are effectively responded to | 80% of complaints are responded to within 60 days | 100% |

| Program Activity 3.1: Veterans Review and Appeal Board redress process for disability pensions and awards | | | | | |
|---|---|---|---|---|---|
| 2009-10 Financial Resources ($ millions) | | | 2009-10 Human Resources (FTEs) | | |
| Planned Spending | Total Authorities | Actual Spending | Planned | Actual | Difference |
| 11.2 | 12.3 | 12.1 | 121 | 107 | 14 |
| **Expected results** | **Performance Indicators** | **Targets** | **Performance Status** | **Performance Summary** | |
| Fairness in the Disability Pension, Disability Award and War Veterans Allowance Program | Percentage of Federal Court decisions that uphold Veterans Review and Appeal Board decisions | 50% | 42% (Mostly met) | Applicants may apply to the Federal Court for a Judicial Review when all Board redress avenues have been exhausted. In 2009-10, 24 appellants filed an application with the Federal Court (less than 1.6% of the Board's 1,541 appeal and reconsideration decisions). The Federal Court issued 19 rulings – 8 upheld the decision of the Board while 11 were returned to be reheard. Four decisions were returned to the Board pursuant to a Consent Order and two applications were discontinued. | |

**Veterans Review and Appeal Board redress process for disability pensions and awards**
Provides Canada's war Veterans, eligible Canadian Forces Veterans and still-serving members, Royal Canadian Mounted Police clients, qualified civilians and their families with full opportunity to request review and appeal hearings to ensure a fair adjudicative process for disability pension, disability award, and War Veterans Allowance claims.

**Performance Analysis:**
The Board's mandate is to hear, determine and deal with applications for review and appeal of disability decisions. Following two years of exceptional volumes of hearings which related to the high numbers of Veterans Affairs Canada decisions in 2005-06 and 2006-07, there was a decrease in the number of applications to the Board in 2009-10. Of those who applied, the number of Canadian Forces members and Veterans is increasing in relation to the volume of traditional Veterans, while case types are increasing in complexity. Approximately 5,600 applicants received their decisions and the Board's focus continued to be to respond to their concerns and reduce time frames. From registration with the Board to decision issued, the average time for review hearing claims was reduced from 174 days in 2008-09 to 165 days in 2009-10. This time includes some shared time with the applicant and his or her representative. The average time for appeal hearing claims increased slightly from 65 days in 2008-09 to 74 days in 2009-10 as the claims have increased in complexity. The Board reduced its caseload of pending claims and had the capacity to hear the claims ready to proceed.

On average, 54.1% of the finalized review decisions and 34.6% of the finalized appeal decisions varied a previous ruling. The Board updated its service standard effective April 1, 2009 and set an ambitious target to finalize 85% of its decisions within six weeks of the hearings. In 2009-10, 80.4% of the 4,140 review decisions and 86.2% of the 1,380 appeal decisions met this service standard. The Board is committed to continuing this high level of performance.

The Board developed its five-year Strategic Plan which identifies priorities and responds to evolving changes in case types. To address the complex nature of claims, the Board focussed on providing members and staff with specialized training on medical conditions and adjudicative issues. Through the increased use of technology, the Board provided timely hearing information to members and staff and monitored workload. Throughout the year, members and staff were involved in decisions and matters affecting their work. Collectively, these efforts have provided a timely and effective appeal program for applicants.

**Lessons Learned**

Forecasting workload is always a challenge for the Board in that the choice to appeal a disability pension or award decision rests with the applicant. He or she needs only to be dissatisfied; grounds such as an error in fact or law are not required, as well, there are no time limits on when a decision must be appealed. Another area outside the Board's control is the time during which the representatives are waiting for additional evidence before scheduling the case for a hearing, again, there are no time limits.

Applicants have voiced their expectations for a timely process for disability decisions. This expectation challenges the Board to develop new scheduling models for review hearings that are ensuring timely hearings for applicants. In an environment of low pending volumes, greater use of technology such as video conference hearings may be necessary to further reduce applicants' wait times. The Board is actively managing its caseload to ensure the quality of the hearings and decisions is balanced with timeliness.

Communicating with applicants, representatives and stakeholders is critical to their understanding of the Board's mandate and program. The Board will increase its efforts to provide information through updates to the Web site, publications and responding to information requests.

**Benefits for Canadians**

The Board upholds the Government of Canada's commitment to provide an independent redress program for resolving disability compensation and War Veterans Allowance decisions. The Board travelled to 31 cities to hold in-person review hearings in 2009-10 and provided applicants and their witnesses with the opportunity to give oral testimony in support of their disability claims. The Board also offered video conference or teleconference hearings in circumstances where these arrangements provided a more timely hearing or where it was difficult for the applicant to travel. More than 5,600 claims from Canada's war Veterans, Canadian Forces Veterans and members and Royal Canadian Mounted Police were finalized.

**Strategic Outcome # 4:**

**Ombudsman recommendations advance Veterans Affairs' fair and equitable treatment of eligible clients.**

| Performance Indicators | Targets | 2009-2010 Performance |
|---|---|---|
| Percentage of cases and issues resolved through facilitation, observations and recommendations | 100% | 94% |
| Number of cases resolved through informal resolution | 85% | Not assessed |

**Program Activity 4.1: Office of the Veterans Ombudsman independent review and recommendations on individual complaints and systemic issues**

| 2009-10 Financial Resources ($ millions) | | | 2009-10 Human Resources (FTEs) | | |
|---|---|---|---|---|---|
| Planned Spending | Total Authorities | Actual Spending | Planned | Actual | Difference |
| 5.8 | 6.0 | 5.2 | 40 | 44 | (4) |
| **Expected results** | **Performance Indicators** | **Targets** | **Performance Status** | **Performance Summary** | |
| Individual client complaints are effectively dealt with in a timely manner | Turn-around times for complaint processing and client contact | 80% | Not assessed | 2009-10 represented the first full year of operation. Systems are being implemented to measure turnaround times. Performance data available to date includes<br>40% of the issues received during the fiscal year were dealt with and closed within five days of receipt<br>90% of all issues raised during this reporting period were addressed within the fiscal year, including 565 issues which were accumulated as a back log from the previous fiscal year. | |

**Office of the Veterans Ombudsman independent review and recommendations on individual complaints and systemic issues**

Provides war-service Veterans, Veterans and serving members of the Canadian Forces (Regular and Reserve), members and former members of the Royal Canadian Mounted Police, spouses, common-law partners, survivors and primary caregivers, other eligible dependants and family members, other eligible Veterans and other clients and representatives of the afore-mentioned groups with the opportunity to request independent reviews of their complaints by an impartial individual who was not part of the original decision-making process.

The Veterans Ombudsman has the mandate to review and address complaints by Veterans and other clients and their representatives arising from the application of the provisions of the Veterans Bill of Rights; to identify and review emerging and systemic issues related to programs and services provided or administered by the Department or by third parties on the Department's behalf that impact negatively on Veterans and other clients; to review and address complaints by Veterans and other clients and their representatives related to programs and services provided or administered by the Department or by third parties on the Department's behalf, including individual decisions related to the programs and services for which there is no right of appeal to the Board; to review systemic issues related to the Board; and to facilitate access by Veterans and other clients to programs and services by providing them with information and referrals.

**Performance Analysis**
Early in the fiscal year, all essential positions required to meet intake demands were filled and the Office operated with a full staff complement in the Early Intervention, Research and Investigations directorates.

A systemic review of the Funeral and Burial Program was completed during the reporting period. During its initial review on red tape, the Office identified several systemic issues that needed to be addressed. At the same time, the Department commenced a number of initiatives aimed at reducing excessive bureaucratic processes identified in several OVO investigations. The New Veterans Charter was subject to extensive review by a separate team and, rather than duplicating a review of the Charter, the Office decided to seek stakeholder views through public consultation and town hall events. Based on this feedback, the Office developed a series of guiding principles for use by VAC as a basis for NVC program changes and enhancements. A review of VAC review and appeal mechanisms, including VRAB, is currently underway. Research and analysis was also conducted in preparation for a systemic review of VAC's health care programs, including VIP.

The OVO acquired a new case tracking system from the British Columbia Ombudsman's Office which was further adapted to our line of business. In addition, in compliance with the *Official Languages Act*, the Office has further converted the system to be a fully-operational bilingual system.

An environmental scan of issues and concerns has been completed and an action plan has been developed to set out activities which will facilitate the review of current systemic and emerging issues.

As part of his outreach and public consultation platform, the Veterans Ombudsman hosted ten town hall events across Canada, to obtain direct feedback from the Veterans' community and to hear about the problems encountered by many Veterans and other clients whose benefits and services fall under the New Veterans Charter. The OVO public consultation Web site provides a unique opportunity for the public at large to share perspectives, opinions, information and experiences, on concerns that touch all stakeholders. Public engagement helps the Office ensure it is providing factual and objective viewpoints on any matters affecting Canada's Veterans.

**Lessons Learned**
Based on assumptions made during the first year of operations with respect to time lines for systematic reviews and investigations, the Office underestimated the time required for receipt of departmental responses. This presents a challenge as the Office seeks information to conduct timely reviews and will require greater collaboration with departmental officials.

The acquisition and modifications to a case tracking system from another public sector organization has presented some challenges with respect to data extraction, trend analysis, performance measurements and operational planning activities. The Office will continue to improve its operational analysis and use the tracking system to its full capability.

**Benefits for Canadians**

The Veterans Ombudsman has provided a highly visible presence and rallying point for issues that are of importance to Canada's Veterans. In addition to being an important intervention mechanism for stakeholders experiencing problems and requiring help with specific departmental benefits and services, the Office is proving to be a catalyst for change in the overall improvement of programs and services designed for Veterans. The engagement of Canadians through the Office's public consultation Web site and the physical presence of the Veterans Ombudsman at public events and town halls have elevated the serious issues affecting the Veterans' community to their rightful place in social program delivery in Canada.

| Program Activity 5.1: Internal Services | | | | | |
|---|---|---|---|---|---|
| 2009-10 Financial Resources ($ millions) | | | 2009-10 Human Resources (FTEs) | | |
| Planned Spending | Total Authorities | Actual Spending | Planned | Actual | Difference |
| 82.5 | 88.3 | 82.6 | 799 | 757 | 42 |

**Internal Services**

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services; and Travel and other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

**Performance Analysis and Lessons Learned**

During the past year, VAC operated in an environment of changing client profiles and high stakeholder expectations. During this reporting period, VAC continued to implement the 2008-2009 Strategic Review decisions, including conducting an independent assessment of the responsiveness and relevance of VAC total spending and programming; and a comprehensive business case involving quasi-statutory program expenditures.

*Governance and Management Support*

Fundamental to VAC's mandate, the Department continued its commitment of client-focussed service as demonstrated by the establishment of sound service management practices, and providing accessible services to persons with disabilities. VAC will continue its efforts to refine its service management approach at the organizational level. VAC is pursuing opportunities to make information on its active major consultations available on the Web site and to post results of its consultation activities.

VAC's quality and use of audits and program evaluations was notably strengthened over the past fiscal year. Numerous efforts to strengthen the audit and evaluation function have been made resulting in reports that are more strategic and timely and the systemic monitoring of practices relating to implementation of recommendations and management action plans. In addition, VAC continues to meet key expectations in the area of internal audits and has been recognized for its best practices to the Internal Audit community. An increased effort is underway to ensure performance data is available for effective evaluations.

Integrated corporate risk management is routinely considered as VAC continues to pursue continuous improvement in integrated risk management with the establishment of a Risk Management Board whereby senior management directs, participates in, and provides oversight in decision-making and Parliamentary reporting. The Department recognizes that key corporate risk information should inform business planning processes.

*Resource Management Services*

VAC has implemented a change agenda including plans and strategies in senior executives' Performance Management Agreements. The Department is increasing its capacity to support the

changes through broader individual and organization-wide related training programs and information sessions.

VAC continues to show strength in employee retention, leadership stability, employee perception of a respectful workplace and freedom to use language of choice. VAC offered in-house courses and encourages experiential learning to bridge gaps and transfer knowledge.

The newly established Organizational Health and Ethics (OHE) Directorate monitors the health of the organization as VAC modernizes its programs and services. OHE has provided employees with opportunities to develop skills that will enhance their ability to respond to changes in the workplace.

A Knowledge Transfer Framework was developed by the Canada Remembers Division to transfer knowledge and ensure that information is passed on in the most effective and efficient way as public servants retire or leave the organization. This framework is being reviewed for possible use by the whole Department.

*Asset Management*
VAC has an effective governance and oversight function with its procurement activities supporting the attainment of departmental objectives. VAC is developing a detailed enterprise-wide procurement strategy and action plan for the public.

In the area of Financial Management and Control, VAC has made noticeable progress, with the quality of reporting, financial management capacity and community leadership strengthening significantly. Notwithstanding the advancements made in this area, improvements continue in the areas of compliance with financial legislative policies and systems, internal control frameworks and independent reviews.

Information technology continues to make a strong contribution to the corporate business strategy and the government-wide agenda. Ongoing management of IT assets and services include costing on a baseline and a performance measurement framework based on industry standards.

VAC is continuing to improve its capacity in the area of information management to ensure operational and strategic information needs can be met. Managers at all levels continue to ensure information is managed effectively. Continuous improvements will be the focus of VAC's information managers to ensure the business strategies and legislative obligations and public accountability responsibilities are met.

In 2009-10, VAC began the implementation of a Project Management Centre of Expertise to cultivate a culture of project management by providing services, solutions, and engagement through the following three inter-related components: community of practice for project managers; virtual resource centre; and a corporate project office.

**Benefits for Canadians**
Internal services are administered to support the needs of VAC's programs and service delivery including a number of corporate obligations. The resources allocated to the internal services functions strengthen accountability to manage resources more effectively; serve ministers and government; and, deliver results to our Veterans and other clients.

# SECTION III - SUPPLEMENTARY INFORMATION

## Financial Highlights

(Thousands of dollars)

| Condensed Statement of Financial Position (unaudited) At end of Fiscal Year (March 31, 2010) | Percentage Change | 2009 | 2010 |
|---|---|---|---|
| Assets | 7% | 163,155 | 173,910 |
| Liabilities | (11%) | 145,687 | 128,969 |
| Equity | 157% | 17,468 | 44,941 |
| Total Liabilities and Equity | 7% | 163,155 | 173,910 |

Assets increased by approximately $10 million in 2010; $6 million relates to Good and Services Tax paid on departmental purchases which is recoverable from Canada Revenue Agency and $4 million relates to an increase in capital assets due to major renovations at Ste. Anne's Hospital.
Liabilities decreased by approximately $17 million in 2010. This decrease primarily relates to a reduced salary liability at year-end as the Public Service pay day fell on March 31.

(Thousands of dollars)

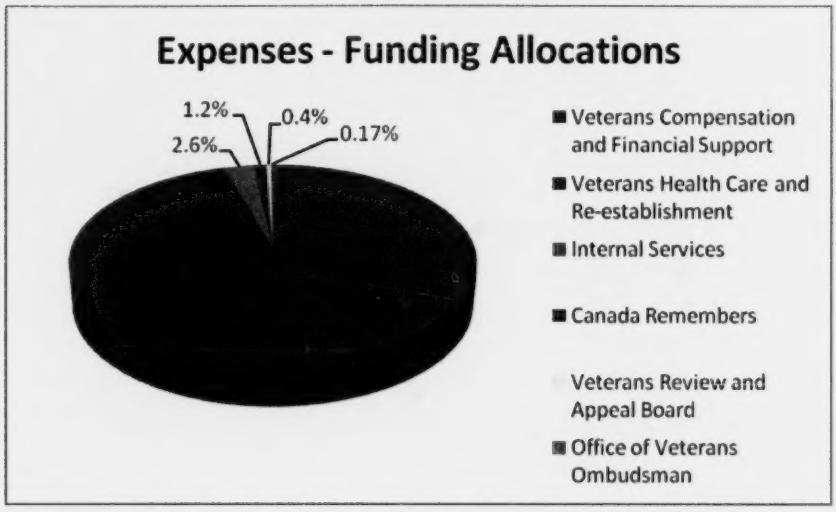
| Condensed Statement of Operations (unaudited) At end of Fiscal Year (March 31, 2010) | Percentage Change | 2009 | 2010 (Actual) | 2010 Planned Results |
|---|---|---|---|---|
| Expenses | 2% | 3,380,378 | 3,444,447 | 3,407,888 |
| Revenues | 1% | 21,746 | 22,021 | 19,314 |
| Net Cost of Operations | 2% | 3,358,632 | 3,422,426 | 3,388,574 |

Grants and Contributions expenses increased by $81.9 million (3.5%) in 2010 compared to 2009. The increase is primarily due to the continued uptake of programs such as Disability Awards and Earnings Loss under the New Veterans Charter. Expenses for the Veterans Independence Program also increased due to increased eligibility for primary caregivers and low-income or disabled survivors. These increases were partially offset by decreased expenses for disability pensions and war veterans allowances due to declining numbers of Veterans and other clients.

Expenses for health related services such as operational stress injury clinics and treatment benefits increased by $8.4 million due to increased client demand. Expenses for career transition and rehabilitation under the New Veterans Charter increased by $5.4 million.

There was a decrease of $12.4 million in ex-gratia expenses related to the use of Agent Orange at CFB Gagetown in 2010 compared to 2009 due to the wind down of the program. As well, departmental operating expenses decreased by $17.7 million primarily due to reduced employee pay and benefit costs as well as internal restraint measures.

**Financial Highlights Chart**




The Portfolio's Financial Statements are available on the VAC Web site at the following address: www.vac-acc.gc.ca/general/sub.cfm?source=department/reports/departmental-financial-statements/2009-10

**List of Electronic Tables**

The following tables can be found on the Treasury Board of Canada Secretariat Web site at: www.tbs-sct.gc.ca/dpr-rmr/2009-2010/index-eng.asp.

Sources of Non-Respendable Revenue
Status Report on Projects Operating with Specific Treasury Board Approval
Details on Transfer Payment Programs
Green Procurement
Response to Parliamentary Committees
Internal Audits
Evaluations

**Web sites**

The following Web sites will provide more detailed information on material provided in this report. If further information is required, contact may be made through the VAC general enquiries lines.

***Veterans Affairs Canada:***
www.vac-acc.gc.ca

***Veterans Review and Appeal Board:***
www.vrab-tacra.gc.ca

***Office of the Veterans Ombudsman:***
www.ombudsman-veterans.gc.ca

**Contact Information**

If you wish to make a general enquiry about VAC, its programs or services, please call **1-866-522-2122**. If you wish to make a general enquiry about the Veterans Review and Appeal Board, please call **1-800-450-8006**. To contact the Office of the Veterans Ombudsman, please call **1-877-330-4343**.

**Portfolio Publications**

The Portfolio produces a variety of publications on its programs and services. Copies of these publications can be obtained from your nearest VAC district or regional office.

For more information or if you have any questions, please contact:

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